Rhode Island

Office of Energy Resources

Annual Report 2023







Letter from the Acting Commissioner

To: The Honorable Daniel McKee, Governor The Honorable Dominick J. Ruggerio, President of the Rhode Island Senate The Honorable K. Joseph Shekarchi, Speaker of the Rhode Island House of Representatives

In accordance with the provisions of Rhode Island General Laws §39-2-1.2(k), I am pleased to provide

you with the 2023Annual Performance and Financial Report of the Office of Energy Resources (OER).

Thanks to your leadership, Rhode Island continues to be a national leader in innovative clean energy programs that are growing jobs, creating new investment opportunities, reducing long-term energy costs for Ocean State families and businesses, shrinking carbon footprints, and ensuring a more reliable, equitable and sustainable energy system.

Rhode Island continues to advance its commitment to addressing climate change through enactment of the 2021 Act on Climate which sets mandatory, enforceable climate



emissions reduction goals leading the state to achieve net-zero emissions economy-wide by 2050. OER is pleased to report progress in the state's ongoing efforts to achieve a clean, affordable, reliable, and more equitable energy future. Notable accomplishments include the following:

- Rhode Island joined Massachusetts and Connecticut in announcing a groundbreaking memorandum of understanding for the nation's first multi-state offshore wind procurement. This collaboration aims to leverage the combined capabilities of the three states to further their renewable energy objectives, stimulate the offshore wind economic sector in the state and region, and achieve substantial emission reductions in the coming decades.
- Rhode Island Energy, the largest utility in Rhode Island, issued a request for proposals to secure an additional 1,200 MW of offshore wind to help power the state's energy needs.
- The \$25 million Clean Heat Rhode Island Rebate Program for heat pump installations for households, non-profits and small businesses launched.
- The launch of the \$2.6 million Energy Efficiency Conservation Block Grant (EECBG) Program with \$1.6 million in federal funding from the U.S. Department of Energy, as part of the Infrastructure Investment and Jobs Act and \$1 million from the state's Regional Greenhouse Gas Initiative program.
- A new Lead by Example Executive Order which updates the state's clean energy, energy efficiency and emission reduction goals for all state agencies.

OER looks forward to building on progress to date and partnering closely with you to advance our state's energy, economic, equity, and environmental goals. Please do not hesitate to contact me should you have any questions.

Sincerely,

Christopher Kearns Acting Energy Commissioner Office of Energy Resources

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About the Rhode Island Office of Energy Resources

The Rhode Island Office of Energy Resources (OER) is the state's lead energy policy agency established pursuant to Rhode Island General Laws (RIGL) §§ 42-140. OER's mission is to lead Rhode Island to a secure, cost effective, and sustainable energy future. Housed within the Executive Branch, OER is led by the Acting Commissioner of Energy Resources – Christopher Kearns – and a staff of committed professionals dedicated to advancing the energy, economic, and environmental interests of the Ocean State.

Operating at the nexus of the many on-going efforts to grow and transform Rhode Island's energy system, OER core functions include, but are not limited to:

Developing, administering, monitoring programs that promote energy efficiency, renewable energy, alternative fuels, and energy assurance	Offering technical assistance and funding opportunities for end-users including residents, businesses, nonprofits, and public sector entities
Providing policy expertise and support related to strategic energy planning, energy assurance, and clean energy workforce development	Leveraging, coordinating, and aligning interagency, public-private regional, and federal efforts to reach and exceed state energy goals

To create consistent and unified energy policies, OER works with state and quasi-state agencies; stakeholder driven groups (including the Distributed Generation Contracts Board and the Energy Efficiency and Resource Management Council); regional coordinating bodies; and other private and nonprofit stakeholders to advance shared energy and environmental interests.

Appendix A lists OER's responsibilities under the Rhode Island Energy Resources Act. To learn more about OER, please visit our website: <u>www.energy.ri.gov.</u> Appendix B provides a financial summary of OER's funding through the System Benefits Charge and associated staffing, responsibilities, and duties. Appendix C provides an overview of the Regional Greenhouse Gas Initiative.

Executive Summary

Two thousand twenty-three (2023) marked a series of significant achievements across Rhode Island's energy landscape, while presenting new opportunities to further reduce energy consumption and costs; expand cost-competitive clean energy solutions; and collaborate with other New England states to advance shared energy, economic, and environmental interests.

Strong and sustained support for comprehensive energy efficiency and renewable energy policies by Governor Dan McKee and the Rhode Island General Assembly have stimulated a robust market for clean energy goods and services, making Rhode Island home to a growing clean energy sector. Governor Dan McKee signed into law the 2021 Act on Climate, which sets mandatory, enforceable climate emissions reduction goals leading the state to achieve netzero emissions economy-wide by 2050. This legislation updates the previous 2014 Resilient Rhode Island Act, positioning the state to boldly address climate change and prepare for a global economy that will be shifting to adapt to clean technology.

OER continued to advance Rhode Island as a national energy efficiency leader and innovator. In 2022, the state was ranked seventh in the country for its **nationally recognized energy efficiency and least cost procurement programs**. For 2023, energy efficiency programming achieved savings of 644,697 lifetime MWh of electric savings and 3,005,293 lifetime MMBTU savings of natural gas consumption. These cost-effective investments are expected to produce more than \$240 million in economic benefits for the state. Moreover, these programs are a key economic development driver, supporting six-in-ten clean energy workers across the Ocean State.

The state's commitment to energy efficiency not only saves customers money but drives significant economic activity and job growth – in 2023, 626 businesses were involved in Rhode Island's energy efficiency programs. Throughout 2023, OER continued efforts to advance the state's leadership in energy efficiency by promoting access to energy efficiency in underserved sectors and communities, collaborating on leading-edge program evaluations, and supporting efforts to decarbonize the heating sector.

The past few years marked major milestones for the state's renewable energy sector, including the surpassing 1,000 megawatts of renewable energy resources in its electric portfolio. This includes the approval of the 400 MW offshore wind farm - Revolution Wind - located in federal waters adjacent to our coast. This project, which is expected to begin construction in 2024, will create hundreds of jobs and invest millions in our local ports and economy. In October of 2023, Governor McKee announced the New England's offshore wind multistate coordination memorandum of agreement (MOU). This agreement, the first in the nation, creates a pathway for these states to jointly procure up to 6,800 megawatts of offshore wind energy. Governor McKee also announced in October a new request for proposal by Rhode Island Energy for approximately 1,200 MW of offshore wind.

Moreover, the ongoing implementation of the annual **Renewable Energy Growth Program**, has resulted in the approval of thousands of small solar projects to homeowners across the state and dozens of medium, commercial, and large solar projects.

The past year also saw a continuation of OER's work to reduce public sector energy costs. State agencies and municipal governments continue to **"Lead by Example"** in reducing utility costs (and carbon footprints) through the adoption of cost-effective energy efficiency and other clean energy measures, such as renewables. In May,

Governor McKee signed a new Lead by Example Executive Order updating state clean energy goals.

Transportation is the costliest energy sector in Rhode Island, accounting for about 40 percent of statewide energy expenditures. OER has worked with stakeholders to promote the use of alternative and clean transportation solutions that can reduce overall energy consumption and long-term consumer costs; mitigate the transportation sector's impact on our environment and create new opportunities for industry growth. Our electric vehicle and electric bicycle programs combined have provided approximately 1800 rebates to Rhode Islanders to date.

OER looks forward to continuing its work on behalf of the Administration, in collaboration with the General Assembly and other key stakeholders, to advance Rhode Island's energy, economic, equity, and environmental priorities and maintain Rhode Island's position as a national clean energy leader.



Governor Dan McKee signing into law the 100% Renewable Energy Bill

2021 Act on Climate

On April 14, 2021, Governor Dan McKee signed into law the **2021 Act on Climate**, which sets mandatory, enforceable climate emissions reduction goals leading the state to achieve netzero emissions economy-wide by 2050. This legislation updates the previous 2014 Resilient Rhode Island Act, positioning the state to boldly address climate change and prepare for a global economy that will be shifting to adapt to clean technology.

As mandated by the 2021 Act on Climate, the Executive Climate Change Coordinating Council (EC4) delivered an update to the 2016 Greenhouse Gas Emissions Reduction Plan to both the Governor and General Assembly in December 2022, after the EC4 had approved the 2022 Update on December 15th. The 2022 Update looked at the 2016 Greenhouse Gas Emissions Reduction Plan explaining the State's progress since then and highlighting priority actions. The 2022 Update also provided some high-level emissions reductions modelling which indicated that more needs to be done across the state to reach the first Act on Climate emissions reduction mandate of a 45%, compared to 1990 emissions, by 2030. OER, together with other state agencies, is actively pursuing the actions outlined in the 2022 Update.

Subsequently, the EC4 will develop a strategy to incrementally reduce climate emissions to netzero by 2050 to be delivered to the Governor and the General Assembly by December 31, 2025 (called the '2025 Climate Action Strategy'). The plan will be developed via a robust stakeholder process and will address areas such as environmental injustices, public health inequities, and a fair employment transition as fossil-fuel jobs are replaced by green energy jobs.

OER, in partnership with the Department of Environmental Management (DEM), has



Governor Dan McKee signing into law the 2021 Act on Climate

initiated the development of the 2025 Climate Action Strategy by assembling a dedicated Request for Proposal (RFP) working group. This group's primary objective was to formulate a comprehensive RFP intended to solicit the services of a consultant. The funding for these consulting services is coming from a USEPA Climate Pollution Reduction Planning Grant. This consultant will play a pivotal role in supporting OER and DEM throughout the process of crafting the 2025 Climate Action Strategy. With the RFP complete, the next step in this endeavor involves issuing the RFP and selecting the most suitable consultant for the job. OER expects the consultant to be on board and work on the Strategy to commence in the summer of 2024. The 2025 Climate Action *Strategy* will be a comprehensive working document that will be updated every five years thereafter.

For more information on efforts related to the 2021 Act on Climate, please visit: http://climatechange.ri.gov/aoc/.

Executive Climate Change Coordinating Council (EC4)

The Executive Climate Change Coordinating Council (EC4) is a cabinet-level interagency body comprised of officials from state agencies with responsibility and oversight relating to assessing, integrating, and coordinating climate change efforts.

Member agencies include:

- RI Department of Environmental Management (Chair)
- RI Office of Energy Resources (Vice Chair)
- RI Coastal Resources Management Council
- Commerce RI
- RI Department of Administration
- RI Department of Health
- RI Department of Labor and Training
- RI Department of Transportation
- RI Division of Planning

- RI Division of Public Utilities and Carriers
- RI Emergency Management Agency
- Executive Office of Health and Human Services
- RI Infrastructure Bank
- RI Public Transit Authority

For more information on the EC4, please visit: <u>http://climatechange.ri.gov/state-actions/ec4/</u>

Energy Efficiency & Demand Response

Rhode Island is a nationally recognized leader in energy efficiency and was ranked the seventh most energy-efficient state in the country in 2022. The state's commitment to energy efficiency not only saves customers money but drives significant economic activity and job growth - in 2023626 businesses and organizations were involved in Rhode Island's energy efficiency programs. Throughout 2023, OER continued efforts to advance the state's leadership in energy efficiency by promoting access to energy efficiency in underserved sectors and communities, collaborating on leading-edge program evaluations, and supporting efforts to decarbonize the heating sector.

Least-cost Procurement Energy Efficiency & Demand Response Programs

Energy efficiency is the installation of technologies or practices that use less energy to achieve the same or better outcomes. By reducing our energy demand in Rhode Island, energy efficiency is reducing pollution, saving us all money, and helping to decrease statewide greenhouse gas emissions. In addition, many energy efficiency jobs are local which means investments in efficiency are also supporting Rhode Island's clean energy economy.

Demand response is the purposeful time-shifting of energy use. Because energy demand varies throughout the day, across seasons, and even across years, our energy supply and delivery systems must be built to accommodate the times of greatest energy demand – energy peaks. By shifting the time of energy use, energy peaks can be lowered and better aligned with energy supply. Creating this kind of energy demand flexibility can reduce costs for all ratepayers and can enable the use of more renewable energy such as solar and wind power.

OER supported energy efficiency and demand response efforts by promoting energy storage technologies such as batteries, encouraging the installation of air source heat pumps in weatherized homes, and supporting utility-led efficiency programs. OER also supported the expansion of energy efficiency programs in the Pascoag and Block Island Utility Districts by providing financial and technical support. In both utility districts, Regional Greenhouse Gas Initiative (RGGI) dollars are being leveraged with ratepayer funds to extend the benefits of cost-effective energy efficiency measures to local families and businesses.

For other parts of the state, energy efficiency and demand response programs are funded by System Benefit Charge (SBC) dollars collected from Rhode Island Energy ratepayers. In calendar-year 2023 alone, the energy efficiency programs helped ratepayers save 93,400 MWh of electricity and 297,371 MMBtu of natural gas. Over the lifetime of the installed equipment, this will prevent over 609,000 metric tons of greenhouse gas emissions. For more information on the state's energy efficiency programs, please visit: <u>www.eec.ri.gov</u>.

The Efficient Buildings Fund

The Efficient Buildings Fund (EBF) is established under Rhode Island General Laws, Chapter 46-12.24.2 and was launched in December 2015. EBF is jointly administered by OER and the Rhode Island Infrastructure Bank (RIIB). The fund provides financing to municipalities, schools, and quasi-governmental agencies pursuing cost-effective energy efficiency and/or renewable energy projects. The program prioritizes deep energy savings projects where the total lifetime energy savings achieved by a project exceeds the total project and debt service costs. OER is primarily responsible for scoring and ranking applications to create a Project Priority List, which RIIB uses to prioritize borrowers for financing. Since its inception, the EBF has funded over \$75 million in comprehensive energy efficiency and renewable energy projects.

RIIB and OER have partnered with Rhode Island Energy to provide no-cost energy audits to municipalities interested in identifying opportunities to make investments in energy efficiency at public buildings. Rhode Island Energy is also able to provide support to borrowers through assistance with the issuance of RFPs for their energy efficiency projects. To date, EBF has provided 22 loans to municipalities and utilities and the EBF-funded projects have resulted in a total of \$112 million in energy savings. Significant savings can be attributed to energy savings from streetlight conversions and many participating municipalities have used the streetlight savings to further invest in deep energy retrofit projects in their buildings. OER has also expanded its Lead by Example initiative to include municipalities, which has led to increased

outreach, engagement, and greater awareness of EBF as a tool for financing their municipal energy efficiency projects.

For more information on the EBF, please visit: <u>https://energy.ri.gov/renewable-</u>energy/wind/rhode-island-efficient-buildings-<u>fund-riebf</u>.



3.6 kW Rooftop PV System at Bishop Stables, Smithfield, RI.

Rhode Island Agricultural Energy Program

Recognizing the vital role that farmers play in Rhode Island's economic and environmental framework, OER, in consultation with the Department of Environmental Management (DEM) aims to improve the accessibility of resources for farmers that will offset agricultural electric load through cost-saving energy efficiency measures and on-site renewable energy projects. Historically, farmers make use of older and traditional infrastructure, and often rely heavily on delivered fuels. These challenges have traditionally made agribusiness a hard-toreach sector for standard energy efficiency and renewable energy programs.

The RI Agricultural Energy Program (RI AgEP) offers financial incentives to farms in Rhode Island of up to \$20,000 for energy efficiency and renewable energy projects. The program has continuously held two funding rounds each year, in spring and fall. The Fall 2023 funding round awarded fourteen farms for solar and energy efficiency projects.

OER continues to streamline the ability for farmers to leverage the RI Agricultural Energy program with other farm-related programs and grants. By establishing and maintaining open lines of communication with the Department of Environmental Management, Commerce RI, Rhode Island Energy and USDA Rural Development, OER does not limit its outreach work to the RI AgEP, but also promotes all financial incentives available to farmers at the federal and state level. For more information on the RI Agricultural Energy Program, please visit <u>www.energy.ri.gov/policiesprograms/programsincentives/farms.php</u>.

Pascoag Utility District Energy Efficiency Program

OER has a longstanding collaboration with the Pascoag Utility District (PUD) to help increase energy efficiency offerings and adoption in its territory.

Their 2023 energy efficiency plan continued to deliver significant energy and cost savings to PUD customers through energy efficiency audits, LED lighting, and strong incentives for insulation and HVAC equipment upgrades. The District has also been coordinating with OER throughout 2023 to align their heat pump equipment standards with those of the Clean Heat RI program run by OER to ensure customers can seamlessly take advantage of both programs. The modest increase in the energy efficiency charge, approved by the PUC to take effect in 2023, has provided additional revenue to support the ongoing investment in core efficiency strategies that Pascoag customers have enjoyed for the past 5+ years. With 2024 marking the final year of Regional Greenhouse Gas Initiative (RGGI) funding, Pascoag is well positioned to have a robust and self-sustaining program for years to come.

Block Island Utility District Energy Efficiency Program

Block Island Utility District (BIUD), with the support of OER and funding from RGGI auction proceeds, launched its first utility-run energy efficiency program with PUC approval in 2020. The efficiency program aims to educate and engage BIUD customers and deliver energy conservation measures including energy efficiency assessments, and upgrades to LED lighting, insulation and weatherization, and more efficient HVAC equipment. The utility district started the energy efficiency program to provide its customers with more information about, and control over, their energy usage and to help manage the extreme peaks experienced on its grid due to the seasonal nature of operations on Block Island.

The 2023-2024 energy efficiency plan seeks to sustain the initial customer interest for residential energy assessments, serve more business customers, and work to overcome some of the logistical obstacles contractors face in serving the island. The program year runs from June through the following May and further details about the energy efficiency program can be found on Block Island Utility District's <u>website</u>.

Zero Energy and High-Performance Buildings

Zero-energy buildings generate as much energy as they consume over the course of a year. These

buildings not only save owners money on utility costs, but also provide a myriad of benefits including improved comfort, increased durability, and better indoor air quality. These benefits have been shown to lead to improved health, education, and productivity outcomes for occupants of various building types.

The Zero Energy for the Ocean State (ZEOS) program offers grants to design and construct affordable, energy efficient housing to serve low- and moderate-income Rhode Islanders.

A second round of the ZEOS program was funded with another \$250,000 from OER in 2021 and a third funding round provided \$500,000in 2023. In January 2022, 48 units of a new ZEOS-funded apartment complex opened in East Greenwich. Once the construction and renewable installations are complete, the complex will add an additional 48 units and seek a passive-house certification. Rhode Island



Brookside Terrace in East Greenwich features 96 zero-energy housing units

Energy's new construction programs also provide incentives and technical support for ZEB construction. OER is also a supporting partner in the City of Providence's RePowerPVD Challenge, their voluntary energy challenge program designed to help large buildings in the city conserve energy, save money, and gain recognition for their leadership in the race to become the first zero energy building in Providence.

For more information on Zero Energy Buildings, please visit <u>www.energy.ri.gov/high-</u> performancebuildings/index.php.

Achieving Community Efficiency (ACE) Grant Program

The Achieving Community Efficiency (ACE) grant sets out to "meet communities where they are" by providing customized resources and assistance in pursuit of each participating communities' specific energy needs.

Small, medium and rural (SMR) communities face unique challenges in energy management stemming from resource, staff, and capacity constraints and this program seeks to address those needs in three primary ways: first, to encourage and support building energy benchmarking efforts to make energy usage and cost information more accessible and actionable: second, to develop a sustainable model for employing a shared, on-site energy manager to provide technical assistance, program design and implementation, as well as energy usage tracking; and, finally, to develop and provide automated and customized resources on comprehensive energy efficiency best practices that help communities achieve their energy goals.

After soliciting interest from municipalities and school districts statewide, six entities were selected to be partner communities for the initial pilot program, consisting of four municipalities (North Providence, South Kingstown, Warren, and North Smithfield) and two school districts (Barrington and North Providence). OER solicited bids from qualified energy service providers to serve as the shared-energy manager and brought one on board in June. The shared energy manager works alongside the partner communities to provide a range of services from energy benchmarking, energy planning, energy supply procurement, project management, and everything in between. Since being hired, the shared energy manager has provided benchmarking analysis to each of the partner communities and developed energy action plans for each community to work from.

During 2023, OER and the shared energy manager worked collaboratively with our partner communities to wind down active projects, finalize energy plans that have been in development, and prepare for the transition period after the grant closed in the middle of the year. We are pleased to report that all partner communities have an energy action plan and baseline energy usage benchmarks for all their facilities that they can use to continue their energy improvement journey. Several of the communities were so pleased with the support they were provided that they worked to enter into contracts with the shared energy manager for continued work after the completion of the grant. OER is thrilled with these results, as this proves out our theory that the additional bandwidth and expertise provided by a shared energy manager can drive meaningful results for communities and school districts and that a market for these services exists that was not previously being met.

Renewable Energy

Rhode Island is home to a rapidly growing renewable energy industry. Strong programs such as the Renewable Energy Growth Program are stimulating the deployment of wind and solar projects throughout the state. The promotion of renewable energy contributes to local business and job growth; offers residents, businesses, and communities an opportunity to stabilize energy costs; and helps shrink carbon footprints.

Net-Metering and Virtual Net-Metering

The net-metering program is one of two solar programs available to homeowners and businesses interested in going solar. It is a mechanism for crediting the power produced by renewable energy systems installed behind a customer meter. Net-metering allows customers with eligible renewable energy systems to receive bill credits for all power generated up to 125 percent of the on-site consumption during a billing period. To participate in net metering, a renewable energy system must be sited on the customer's premises. Eligible customer-sited net metering systems must be sized to meet on-site loads, based on a three-year average of electricity consumption at the property.

Virtual Net Metering (VNM) allows certain eligible customers to connect their electric load regardless of whether the renewable system is located on the customers premises. VNM is particularly useful because it allows eligible entities to offset their electrical load even if the property is not deemed suitable for a renewable energy project. It also allows entities with large electrical loads to offset 100% of their energy use across multiple projects in different areas around the state, where the electrical load would otherwise be impossible to offset on-site.

Eligible Virtual Net Metering customers include state agencies, quasi-state agencies, municipalities, public housing authorities, public schools, private schools, non-profits, federal government, and hospitals. Virtual net-metering is not available to residential or commercial customers. Virtual Net Metering projects are eligible up to 10 MW per project site. As of December 2023, RI Energy reports that 15,943 net-metered projects are interconnected in Rhode Island.

Renewable Energy Growth Program

The Renewable Energy Growth (REG) Program was launched to support the deployment of locally based wind, solar, anaerobic digestion and small-scale hydropower projects using a production-based incentive (PBI). Rhode Island Energy Customers can apply monetary bill credits to their electricity bills by selling renewable generation back to the grid.

The REG Program, administered by Rhode Island Energy with oversight by OER and the Distributed Generation Board, provides 15-year tariff payments to RI Energy customers. The payments are applied to a customer's energy bill, and any excess generation past their on-site usage is compensated in the form of a direct deposit. In turn, the construction and operation of REG installations help reduce and stabilize consumer energy costs, create job opportunities for clean energy workers, and help offset demand for more carbon-intense energy resources.

In total, REG has provided incentives for over 7,281projects. This includes mostly small scale solar, nearly one hundred medium, commercial, and large solar projects; several commercial-scale wind turbines; and two small-scale hydropower projects.

Renewable Energy Fund – Brownfields Program

The Renewable Energy Fund, along with OER, implemented a Brownfield Solar program, which is supported by state RGGI auction proceeds. Eligible projects include solar PV located on brownfield locations utilizing net metering or virtual net metering. Costs associated with remediation of the project location are not eligible for funding as there are other programs available to assist with those costs through other agencies. In 2021, the program was expanded to allow brownfield projects to also apply for an energy storage adder of up to \$40,000. The Brownfields Solar PV program approved two solar projects in 2022, with 5,525.28kW in total capacity, and grant awards totaled \$405,000.00.

You may view the CY2023 REF Annual Report <u>here</u>.

Lead by Example

The Lead by Example program provides support to the Rhode Island public sector, assisting them as they transition their energy supply portfolios and consumption practices toward lower-cost, cleaner, low-carbon solutions, consistent with Rhode Island's economic, energy and environmental goals.

Since 2015, OER has been tasked with overseeing and coordinating activities across State government to reduce energy consumption. In 2023 Governor McKee signed Executive Order 23-06, expanding the mandate of Lead by Example to cover the whole public sector, and updating the targets and goals of the Program. These goals focus on reducing fossil fuel use, improving building performance, and increasing the number of electric vehicles and charging stations serving the State. These new goals align the Lead by Example Program's efforts with the 2021 Act on Climate legislation's trajectory and will ensure the public sector continues to lead the way in the clean energy transition. Energy Management

OER is supporting State agencies by making energy consumption and cost data accessible online. OER has centralized State agency energy data and billing for electric, natural gas, and delivered fuels. By centralizing these bills, OER is helping to improve energy usage and cost forecasting, streamline payment processes, and foster the development of innovative strategies to meet the State's energy reduction targets.

Energy Efficiency Purchasing Mechanisms

OER, in partnership with the Division of Purchases, has developed three purchasing mechanisms to support energy efficiency, renewable energy projects and transportation infrastructure. Master Price Agreement (MPA) 508 provides state agencies and other public entities with access to vendors that can deliver turnkey energy efficiency projects. MPA 509 provides state agencies and other public entities turnkey operation (equipment and services) of Electric Vehicle Supply Equipment (EVSE). Finally, MPA 553 OE (open enrollment) established a list of qualified firms to provide turnkey solar installation and maintenance services to public sector entities.

These MPAs are used regularly by State agencies and municipalities to easily and confidently procure important energy related services. By creating and maintaining these vendor lists, OER pre-screens and qualifies vendors to help other agencies navigate procurement of key energy related services in a more streamlined fashion.

Renewable Energy Projects

OER is spearheading efforts to increase the adoption of renewable energy resources across State facilities. Investments in both small and large-scale renewables, such as rooftop or ground-mounted solar, offer the potential to reduce long-term energy costs and exposure to price volatility, support local clean energy jobs, and "green-up" state agencies/facilities.

Public School Energy Programs

The Rhode Island Office of Energy Resources (OER) strategically prioritizes energy improvements in Public Schools. OER has already secured funding of \$20 million and, starting in 2021, developed two programs to support public schools in ten underserved communities. These programs were developed with, and are supported by, partnerships with Rhode Island Energy, The Rhode Island Department of Education, and the US Department of Energy.

School Lighting Accelerator Program

Through its Lead by Example Initiative, OER has been working with public entities for several years to develop and implement clean energy projects. OER's School Lighting Accelerator Program supports schools in improving the quality of lighting in classrooms while also reducing their energy costs. OER's program provides technical assistance, procurement support, implementation oversight, and financial incentives to Rhode Island public schools to accelerate the transition to LED lighting with controls in these important buildings. These LED lighting projects can provide immediate energy consumption and cost reductions; shrink public sector footprints; support clean energy jobs; and improve classrooms' lighting quality.

Through 2023, the program has completed projects in sixteen schools and has active projects in twenty-eight additional schools across eight school districts.

US DOE Congressionally Directed Spending Project – Energy Improvements For Rhode Island Schools

Many of Rhode Island's public school buildings need significant investment to improve operations and occupant health, safety, and comfort while driving energy cost and greenhouse gas emissions (GHGs) reductions. This was brought into sharper focus as the COVID-19 pandemic demonstrated the importance of high-quality systems supporting indoor air quality in our public buildings. This



Rhode Island College installed LED lighting in its gymnasium.

program provides the education, technical and procurement resources, financial support, and training to install building automation systems (BAS) and other needed heating, ventilation, and air conditioning (HVAC) system upgrades in public schools across the state. Once installed, these systems will enable facility managers to better monitor and control building operations and deliver numerous benefits, including reduced energy costs, improved indoor air quality, and increased health, safety, and comfort for building occupants. Moreover, reduced and more efficient energy consumption will help reduce greenhouse gas emissions consistent with Rhode Island's 2021 Act on Climate, which establishes mandatory and enforceable, economy-wide GHG reduction targets culminating in net zero by 2050. Interest has been strong in this program and OER is working across five underserved districts to develop and implement a variety of BAS, HVAC, and water heating projects.

2023 Lead by Example Clean Energy Awards

The Rhode Island Office of Energy Resources (OER) recognized 19 state and quasigovernment agencies, municipalities, and public schools for their renewable energy and energy efficiency achievements at its Sixth Annual Lead by Example Clean Energy Awards ceremony.

2023 Lead by Example Energy Award-Winners:

Category: Municipality – Town of North Kingstown

The town of North Smithfield upgraded all 2,500 of its streetlights to LEDs. Other improvements made HVAC system installations and upgrades at the town hall and other several public safety buildings, and the installation of electric vehicle charging stations at the municipal golf course.

Category: State Agency – Rhode Island State Police completed a comprehensive lighting and controls retrofit at the Rhode Island State Policy Public Safety Complex. The agency also upgraded its HVAC system with a heat pump and installed insulation at the training academy barracks.

Category: Public Schools – Jamestown School Department

The Jamestown School Department installed two solar arrays, and a carport solar canopy at the Melrose Elementary School and a solar roof array the Lawn Middle School. These projects will offset eighty four percent (84%) of electricity for the school district annually.

Category: Public Sector Entity – Pascoag Utility District

The Pascoag Utility District installed a 3 MW/9 MWh battery storage system to help avoid over \$6 million in large transmission upgrade costs.

The nominees that received honors:

Public Schools:

Pawtucket School Department, Providence Public Schools, Woonsocket Education Department

Municipalities:

Town of Warren, Town of Jamestown, City of East Providence, City of Warwick, City of Woonsocket

State Agencies:

, Rhode Island Department of Environmental Management, Rhode Island Department of Transportation, Rhode Island Department of Behavioral Healthcare, Developmental Disabilities & Hospitals, Rhode Island Army National Guard, Rhode Island Division of Capital Asset Management & Maintenance, University of Rhode Island

Quasi-Public Agencies:

Rhode Island Public Transit Authority

For more information on Lead by Example, please visit: <u>https://energy.ri.gov/lead-example</u>

Thermal Sector

Heating and thermal energy use accounts for roughly one-third of Rhode Island's statewide energy consumption and approximately 35 percent of statewide greenhouse gas emissions. OER is helping lead efforts to develop strategies for expanding access to more energy efficient and cleaner energy heating solutions for homes and businesses. Existing and emerging alternative heating technologies offer the promise of reducing thermal consumption and long-term consumer costs; mitigating the thermal sector's impact on the environment; and creating new investment and employment opportunities throughout our economy.

Thermal Decarbonization Program Manager

The Thermal Decarbonization Program Manager focused in 2023 on leading the state's effort to decarbonize heating, cooling, and other thermal processes in the state, in accordance with the mandates of the 2021 Act on Climate. This work is informed by the findings of the Heating Sector Transformation Report from 2020. As recommended by the report, the initial focus is on the strategic conversion to electrification (i.e., air source heat pumps). Other decarbonization pathways are not being foreclosed on, however, including geothermal, biofuels, and renewable gas for the industrial sector. It will take a mix of decarbonization strategies to reach net zero emissions in this sector and the Thermal Decarbonization Program Manager is exploring all avenues to help meet the Act on Climate mandates.

Enhanced Air Source Heat Pump Incentives

OER completed its program to provide financial incentives for oil and propane customers to switch to air source heat pumps (ASHPs) for home heating and cooling. The incentive provided a \$1,000 per ton rebate on ASHPs installed by qualified contractors (a ton is a metric to measure the amount of heating and cooling a building needs). Eligible installations began in March 2021 and ended on September 1, 2023.

The average household rebate was 3,400, with an average 3-ton reduction in CO_2 emissions, annually, for the system's lifetime. Because



Indoor system for residential air source heat pump

ASHPs are several times more efficient than oil and propane heating systems, and the price of electricity is lower and more stable than heating fuel, this also translates to monthly savings on overall energy spending for these households.

High Efficiency Heat Pump Program (HHPP)

On September 1, 2023, the High-efficiency Heat Pump Program (HHPP) launched as "Clean Heat RI" (CHRI). The program provides financial incentives to assist Rhode Islanders to install highly efficient heat pumps and heat pump water heaters. In addition to financial incentives, CHRI is providing ongoing workforce development and education for HVAC installers who join the program's approved contractor network.

OER has been allocated \$25 million dollars from the federal <u>American Rescue Plan Act (ARPA)</u>, through the enacted FY23 State Budget, for CHRI. shall be used to provide incentives to disadvantaged communities.

There are four categories of CHRI:

- The **Residential Incentive** is available to Rhode Islanders who currently use fossil fuel heating (natural gas, oil, and propane).
- The Income-Eligible Incentive provides 100 percent of heat pump installation costs to customers who meet the low-income eligibility standards set by the RI Department of Human Services (DHS); use oil or propane; and whose houses have been weatherized.
- The Commercial/Community Incentive will be available to Rhode Island businesses with less than \$30 million in annual revenue and non-profits of any size.

Program metrics from September's program launch through December 2023 were:

Incentive Type	Incentives Issued	Lifetime CO2 Emissions	Funds Spent
		reduction (tons)	
Residential	531	21,775	\$ 1,419,921
Income-eligible	4	270	\$ 52,305
Commercial/Community	1	23.69	\$ 56,000
Totals	536	22,037	\$ 1,528,226

Transportation

Rhode Island's Greenhouse Gas Emissions come from several sources. The transportation sector is the largest source (39.7%) of greenhouse gas emissions. As we electrify more of our transportation system, those emissions will switch to the electricity consumption sector, which will then be eliminated by transition to renewable, zero-emission sources of electricity.

OER has worked with stakeholders to promote the use of alternative and clean transportation solutions that can reduce overall energy consumption and long-term consumer costs; mitigate the transportation sector's impact on our environment and create new opportunities for industry growth.

DRIVE EV

In March 2022, Governor McKee announced the establishment of an electric vehicle rebate program, <u>DRIVE EV.</u> The program was formally launched on July 7, 2022.

Driving Rhode Island to Vehicle Electrification (DRIVE) is an electric vehicle (EV) rebate program administered by the Rhode Island Office of Energy Resources (OER) to support adoption of electric vehicles by Rhode Island residents, small-businesses, non-profits, and public sector entities.

DRIVE EV also provides additional incentives for qualified Rhode Islanders who purchase or lease an eligible electric vehicle and meet certain income requirements or participate in a State or Federal Income-Qualifying Program.

As of December 31, 2023, the DRIVE EV rebate program has provided over 900 rebates. For more information on DRIVE EV, please visit: www.drive.ri.gov. The Erika Niedowski Memorial Electric Bicycle Rebate Program



The Office of Energy Resources launched the Erika Niedowski Memorial Electric Bicycle Rebate Program in October 24, 2022, and is an extension of the DRIVE EV Rebate program.

This e-bike rebate program is in memory of Erika Niedowski, in honor of a dedicated public servant, journalist and clean energy advocate. Erika passed away in October 2020. The Erika Niedowski Memorial Electric Bike rebate helps increase access to zero emission electric bicycles, making them more affordable and accessible to Rhode Islanders.

This E-bike rebate program also provides rebates for qualified Rhode Islanders who meet certain income requirements or participate in a State or Federal Income-Qualifying Program.

As of December 2023, the rebate program has issued over 800 rebates. For more information visit the program please visit: <u>www.drive.ri.gov/ebike</u>

Rhode Island's National Electric Vehicle Infrastructure (NEVI) Program

National Electric Vehicle Infrastructure (NEVI) Formula Program was signed by President Joe Biden in November 2021, the Bipartisan Infrastructure Law (BIL) provides states with \$7.5 billion to help make EV charging more accessible to all Americans for local and longdistance trips. This \$7.5 billion comprises the \$5 billion National Electric Vehicle Infrastructure (NEVI) Formula Program and the \$2.5 Discretionary Grant Program for Charging and Fueling Infrastructure.

RI submitted the EV Infrastructure Plan to FHWA on August 1, 2022, and received plan approval on September 14, 2022.

Rhode Island will receive a total of \$23 million in dedicated formula funding over 5-year period.

The RI Office of Energy Resources is the lead agency in charge of managing the NEVI RI EV Infrastructure Plan in partnership with the RI Department of Transportation (RIDOT) and the RI Department of Environmental Management (RIDEM).

The initial focus of this funding (Phase 1) is for states to strategically deploy Direct Current Fast Charging (DCFC) stations along its designated Alternative Fuel Corridors (AFCs), to help build out the national EV AFC network. I-95 is Rhode Island's only Alternative Fuel Corridor.

As of December 2023, the State of RI awarded the contract for the implementation and construction of NEVI Phase 1 at the park and rides in Ashaway and Rt.117 Warwick. We anticipate the completion of both sites by early summer 2024. Following the completion of Phase 1, the state plans to utilize NEVI Formula Program funds for EV charging infrastructure in any public road or other publicly accessible location, constituting Phase 2.For more information about NEVI, please visit: <u>www.energy.ri.gov/rinevi</u>

Energy Justice

In 2022, OER hired a new staff member, Greg Ohadoma, focused on energy justice issues. This position, the Energy Justice Program Manager, focuses on the equitability, accessibility, and inclusivity of OER's programs, policies, and initiatives. Having a full-time staff member dedicated to energy justice ensures that we, as an agency, dedicate quality time to energy equity and provide support to all staff members as we work to better integrate equity and justice into our program and policy designs and evaluations.

OER has dedicated time to discussing concepts like inequities within the energy system, current Rhode Island demographics (including socioeconomic indicators and energy-specific indicators like energy burden). These presentations connect the state's history of slavery, segregation, and redlining to wealth and health disparities that exist across the state, and connect those disparities to similar energy disparities, such as high energy burdens. OER recognizes that these efforts are only introductory and is committed to continuing internal education and discussion. Energy justice is an issue across the state, not just in our urban centers. Our office is conducting outreach to rural areas of Rhode Island as well – zones which may not have adequate to our electric grid – and considering how our programs may be designed to bring more affordable and reliable energy access to these communities.

OER plans to continue testing new ways to improve our outreach and public participation events so that all Rhode Islanders can participate and/or be represented. By continuing to track participant demographics, we plan to report on our progress annually.

We are committed to collaboration with frontline and environmental justice communities to improve energy justice and equity throughout Rhode Island.

Since starting his role in late 2022, Greg Ohadoma has been assessing the current landscape in Rhode Island. He has met with advocates, community-based organizations, environmental non-profits, academia, and members of the Rhode Island state legislature to

Equity Recommendations

definitions.

We must center equity and include community engagement in program design to improve access to clean energy benefits for all Rhode Islanders. Throughout this effort, we will identify and address systemic racism and historic inequalities.



towards equitable outcomes.

understand some of the Energy Justice issues facing residents. Additionally, in conjunction with the Rhode Island Department of Environmental Management, he has co-hosted town hall meetings called Climate Justice Hours.

Along with developing energy justice goals and metrics our energy justice program manager is also exploring pathways for wealth building and resilience in disadvantaged communities around the state. Workforce development has also become an important and necessary initiative as OER seeks to reconcile past inequalities in the energy system and ensure equal access for all.

Appendix



Appendix A: Rhode Island Energy Resources Act

OER's purposes under the Rhode Island Energy Resources Act are to:

- Develop and put into effect plans and programs to promote, encourage, and assist the provision of energy resources for Rhode Island in a manner that enhances economic well-being, social equity, and environmental quality;
- Monitor, forecast, and report on energy use, energy prices, and energy demand and supply forecasts, and make findings and recommendations regarding energy supply diversity, reliability, and procurement, including least-cost procurement;
- Develop and to put into effect plans and programs to promote, encourage and assist the efficient and productive use of energy resources in Rhode Island, and to coordinate energy programs for natural gas, electricity, and heating oil to maximize the aggregate benefits of conservation and efficiency of investments;
- Monitor and report technological developments that may result in new and/or improved sources of energy supply, increased energy efficiency, and reduced environmental impacts from energy supply, transmission and distribution;
- Administer the programs, duties, and responsibilities heretofore exercised by the state energy office, except as these may be assigned by executive order or the general laws to other departments and agencies of state government;
- Develop, recommend and, as appropriate, implement integrated and/or comprehensive strategies, including at regional and federal levels, to secure Rhode Island's interest in energy resources, their supply and efficient use, and as necessary to interact with persons, private sector, non-profit, regional, federal entities and departments and

agencies of other states to effectuate this purpose;

- Cooperate with agencies, departments, corporations, and entities of the state and of political subdivisions of the state in achieving its purposes;
- Cooperate with and assist the state planning council and the division of state planning in developing, maintaining, and implementing state guide plan elements pertaining to energy and renewable energy;
- Coordinate the energy efficiency, renewable energy, least cost procurement, and systems reliability plans and programs with the energy efficiency resource management council and the renewable energy coordinating board;
- Participate in, monitor implementation of, and provide technical assistance for the lowincome home energy assistance program enhancement plan established pursuant to § 39-1-27.12;
- Participate in and monitor the distributed generation standard contracts program pursuant to chapter 39-26-2;
- Coordinate opportunities with and enter into contracts and/or agreements with the economic development corporation associated with the energy efficiency, least-cost procurement, system reliability, and renewable energy fund programs;
- Provide support and information to the division of planning and the state planning council in development of a ten (10) year Rhode Island Energy Guide Plan, which shall be reviewed and amended if necessary every five (5) years;
- Provide funding support if necessary to the renewable energy coordinating board and/or the advisory council to carry out the objectives pursuant to chapter 42-140-3;
- Advise and provide technical assistance to state and federally funded energy program to support:

- The federal low-income home energy assistance program which provides heating assistance to eligible low-income persons and any state funded or privately funded heating assistance program of a similar nature assigned to it for administration;
- The weatherization assistance program which offers home weatherization grants and heating system upgrades to eligible persons of low-income;
- The emergency fuel program which provides oil deliveries to families experiencing a heating emergency;
- The energy conservation program, which offers service and programs to all sectors; and
- [Deleted by P.L. 2008, ch. 228, § 2, and P.L. 2008, ch. 422, § 2.]
- Advise the economic development corporation in the development of standards and rules for the solicitation and award of renewable energy program investment funds in accordance with § 42-64-13.2;
- Develop, recommend, and evaluate energy programs for state facilities and operations to achieve and demonstrate the benefits of energy-efficiency, diversification of energy supplies, energy conservation, and demand management; and
- Advise the governor and the general assembly regarding energy resources and all matters relevant to achieving the purposes of the office.

Appendix B: System Benefits Charge

OER receives the majority of its funding for staffing through the System Benefits Charge (SBC). OER received \$912,213.88 from the SBC in 2023. These funds are used for staffing activities associated with the development, implementation, and evaluation of energy efficiency and clean energy programs; system reliability; energy security; and regional energy system activities. In addition, these funds support OER's engagement in regulatory proceedings and other actions pertaining to the purposes, powers, and duties enumerated in the Rhode Island Energy Resources Act.

As of December 31, 2023, OER is staffed with sixteen (16) full time state employees, and the SBC funding provides approximately 37 percent of annual salaries and fringe, with the balance contributed from other limited restricted receipt and federal funds.

The invaluable funding resources provided through the SBC have supported the numerous activities and accomplishments detailed throughout this Annual Report, including, but not limited to:

- Providing ongoing support to implement the 2021 Act on Climate law;
- Oversight and development of the state's annual Clean Energy Jobs Report;
- Program, technical, and administrative support for the state's nation-leading energy efficiency programs;
- Coordination and implementation of additional energy efficiency initiatives, including the Efficient Buildings Fund, Zero Energy and High-Performance Buildings, the Farm Energy Efficiency Program, and Utility District Energy Efficiency Programs;
- Direct implementation and/or programmatic support for renewable energy programs that grow our local clean energy economy, including the Renewable Energy Growth Program and clean energy procurements;

- Design and implementation of program initiatives and market development strategies for promoting alternative, clean heating, and transportation solutions;
- Coordination of grid of the future efforts to transition the state to a modern distributed energy system;
- Implementation of the state's "Lead by Example" initiative to reduce energy consumption, lower GHG emissions, and promote renewable energy across State Government facilities;
- Active participation in important regulatory proceedings necessary to implement state mandates and policy goals, such as least-cost procurement activities (system reliability and energy efficiency), renewable distributed generation programs, rate design and electric distribution system planning;
- Engagement on regional energy infrastructure issues, working in collaboration with the New England states, ISO-NE, and other stakeholders; and
- Providing ongoing support on energy security matters during severe weather-related events with the Rhode Island Emergency Management Agency.

Appendix C: Regional Greenhouse Gas Initiative Annual Report

2023 Regional Greenhouse Gas Initiative Proceeds Investments Annual Report

In 2007, the Rhode Island General Assembly enacted Chapter 23-82 of the General Laws, entitled Implementation of the Regional Greenhouse Gas Initiative Act. In doing so, the General Assembly declared that "scientific findings indicate that the increase in greenhouse gas emissions, including carbon dioxide, is accelerating the natural greenhouse effect resulting in changes in the Earth's climate" and that "climate changes pose serious health risks to humans, as well as danger to ecosystems worldwide." The Act enabled Rhode Island to join other states in the formation of the Regional Greenhouse Gas Initiative (RGGI) - the nation's first mandatory multistate program to reduce power sector carbon dioxide (CO2) emissions. In the years since, state participation in RGGI has generated auction proceeds that have been strategically deployed to advance Rhode Island's energy policy goals, while simultaneously growing clean energy jobs and reducing greenhouse gas emissions. This report provides an overview of the important clean energy programs and investments enabled by RGGI auction proceeds allocated through the state's Allocation Plans.

To effectuate the reduction of greenhouse gas emissions in the electric power generation sector, RGGI establishes a regional cap on the amount of CO2 pollution that power plants can emit by issuing a limited number of tradable CO2 allowances. Each allowance, which are allocated through quarterly regional allowance auctions, represents an authorization for a regulated power plant to emit one short ton of CO2. Individual CO2 budget trading programs in each RGGI state effectively create a regional market for the allowances, and leverage market forces to determine the most cost-effective means of reducing emissions while fostering market certainty to help drive long-term investment in cleaner energy sources. RGGI consists of eleven participating states, including Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

In Rhode Island, RGGI auction proceeds are allocated by OER to drive investment in, and expansion of clean energy resources, including cost-effective energy efficiency and renewable energy and provide direct rate relief to lowincome customers.

RGGI Proceeds Allocation Process

Per statute, OER is authorized to allocate state RGGI auction proceeds for the following purposes:

- Promotion of cost-effective energy efficiency and conservation;
- Promotion of cost-effective renewable noncarbon emitting energy technologies;
- Cost-effective direct rate relief for consumers;
- Direct rate relief for low-income consumers;
- Reasonable compensation to RGGI, Inc.;
- Reasonable costs of OER and the Department of Environmental Management (DEM) in administering the RGGI program;
- For fiscal year 2023 only, OER transferred \$3,000,000 from unallocated auction proceeds to the EC4 restricted receipt account to maintain funding for the existing electric vehicle and electric bicycle incentive programs and to support other projects; and
- Effective for fiscal year 2024 and thereafter, sale of allowances yielding more than \$4,500,000 per auction shall be transferred to OER, on behalf of the EC4, for climate change related initiatives. This transfer

cannot exceed \$1,500,000 in a single fiscal year.

Pursuant to RIGL §23-82-5, RGGI, Inc. is authorized to receive, hold, and sell CO2 allowances for the long-term benefit of consumers. The statute also authorizes RGGI, Inc. to conduct the auctions or sales; collect the auction proceeds and transfer such proceeds to OER. OER then distributes and allocates the proceeds of the auctions or sales in accordance with §23-82-6.

To accomplish these purposes, OER engages with DEM and the Energy Efficiency Council (EEC), to periodically draft and implement allocation plans describing how auction proceeds are to be expended. Each proposed allocation plan is made available for public comment and public hearing. A notice is posted on the websites of OER and Rhode Island Secretary of State announcing a public comment period for the proposed plan. OER provides at least thirty (30) day notice of the public hearing. After the public hearing, OER allows an additional ten (10) day period for interested persons to submit comments in writing. OER maintains a record of all public comments. OER then finalizes the allocation plan and posts a copy on its website. OER aims to produce between two and four allocation plans a year. With four plans, plans come out shortly after each auction. For two plans, the first plan is finalized in September and incorporates the proceeds from the first and second auctions of the year. The second plan is finalized in January and incorporated the proceeds from the third and fourth auctions of the year. Figure 1 depicts the allocation plan timeline in an average year starting in March and ending in January.



To view current and past allocation plans, please visit OER's RGGI website at: <u>https://energy.ri.gov/climate-change/regional-</u> greenhouse-gas-initiative-rggi.

RIGL 23-82-6(a)(5) authorizes the reasonable compensation of an entity to administer the auction on behalf of the State of Rhode Island.

RIGL §23-82-6(a)(6) authorizes the reasonable costs of OER and DEM in administering the RGGI program. The total reimbursement to both entities shall not in any year exceed \$300,000 or ten percent (10%) of the proceeds, whichever is greater.

2023 RGGI Allocations



Figure 2:RI RGGI Allocations by Investment Category in 2023

After deducting the compensation for RGGI Inc. (\$44,2411.22) and state agency administrative expense reimbursement (\$2,105,132.71), and the EC4 (\$1,500,000.00), the 2023 balance,

Figure 1: Timeline for Allocation Plans

including accrued interest and reallocation of funds from previous plans was, **\$17,801,759.91**.

To learn more about the specific projects and programs funded with the \$1,500,000.00 transferred to the EC4, please visit RI's Climate Change website to view the 2023 EC4 Spending Plan:

https://climatechange.ri.gov/media/1496/downlo ad?language=en.

RGGI-funded programs are organized into categories based on investment types established by RGGI Inc. Each participating RGGI state classifies its programs within these categories. The investment categories include: beneficial electrification for buildings, beneficial electrification for transportation, clean and renewable energy, direct bill assistance, energy efficiency, and greenhouse gas and climate change adaptation. Please refer to RIGL §23-82-6 outlined above to review the allowable uses of auction proceeds for Rhode Island.

The \$17,801,759.91 in proceeds available for programmatic allocation was invested in four investment categories as seen in Figure 2. These four categories included clean and renewable energy, energy efficiency, direct bill assistance, and beneficial electrification - transportation. While Beneficial Electrification – Transportation is not typically an allowable use category according to RI's statute, in FY 2023, there was a one-time use exception made according to RIGL §23-82-6(a)(7).

Programs that received RGGI allocations in 2023 include the following:

Lead by Example, \$4,615,843.42

Investment Category: Energy Efficiency and Clean & Renewable Energy Percentage of total 2023 investment: 25% In 2023, RGGI funded several Lead by Example Programs. The Lead by Example (LBE) Program supports State agencies, Municipal governments, and schools in lowering greenhouse gas emissions and reducing energy costs across Rhode Island through investments in energy efficiency, renewable energy, and clean transportation. Two specific programs funded in 2023 include federal Energy Efficiency Conservation Block Grant (EECBG) Program and Public School Energy Equity Program. The EECBG Program supports the reduction of fossil fuel emissions, reduction of total energy use in communities, improve efficiency of facilities, and contribute to the growth of the clean energy economy in municipalities across RI. The Public-School Energy Equity Program aims to provide essential support to underserved public schools in Rhode Island by implementing energy-saving measures that improve building occupants' health, safety, and comfort while also reducing energy costs.

Renewable Energy Fund, \$2,568,759.91

Investment Category: Clean & Renewable Energy

Percentage of total 2023 investment: 14% Allocations to RI Commerce Corporation's REF funded several of their programs including the small-scale and commercial-scale PV programs, brownfields solar PV program, and the development of renewables on carports.

Rhode Island Energy, \$3,683,000.00

Investment Categories: Direct Bill Assistance and Energy Efficiency Percentage of total 2023 investment: 20%

Plan	Date Plan was Finalized	Auctions included in Plan	Gross Proceeds	Proceeds Available for Programmatic Allocation
2023-А	September 14, 2023	Auction 59: March 8, 2023 & Auction 60: June 7, 2023	\$9,359,659.66	\$8,779,259.20
2023-В	January 26, 2024	Auction 61: September 9, 2023 & Auction 62: December 6, 2023	\$11,691,667.46	\$9,022,500.71

Summary of RGGI Auction Proceeds Allocated in the 2023 Allocation Plans

Figure 3: Chart summarizing key details included ion each allocation plan.

RGGI funds were allocated to RIE for two purposes. One, \$3,000,000.00 was allocated to RIE to provide electric bill credits to lowincome customers enrolled in the A-60 rate class. Two, \$683,000.00 was allocated to support the installation and operation of airsource heat pumps.

Home Electrification and Appliance Rebate Program (HEAR), \$4,000,000.00

Energy Efficiency

Percentage of total 2023 investment: 22%

The Home Electrification and Appliance Rebate program is a funding opportunity through the Inflation Reduction Act that will provide rebates to put money back in the hands of Rhode Islanders. The rebates will help households save money on select home improvement projects and lower energy bills. This program is not yet available, but OER expects to launch this in 2025. These funds will be used to supplement the money OER is receiving from the Department of Energy to provide larger rebates for Rhode Islanders.

Agricultural Energy Grant Program, \$250,000.00

Clean & Renewable Energy

Percentage of total 2023 investment: 1%

A collaborative project of OER and DEM, this program helps local farmers green their operations and benefit from energy and cost savings achieved through energy efficiency and renewable energy projects. OER will coordinate with DEM on implementation of this program to support alignment with other existing clean energy initiatives available to Rhode Island's agricultural community.

OER's EV Programs, \$3,000,000.00

Beneficial Electrification – Transportation Percentage of total 2023 investment: 17% These programs provide rebates to Rhode Island

residents, small businesses, non-profits, and public sector entities to advance our clean transportation objectives in reducing transportation emissions and advancing Act on Climate.

2023 Environmental Justice Investments

Nearly 56% of RGGI funds allocated in 2023 will flow to disadvantaged, low- and moderateincome communities via the following programs: Direct Bill Assistance through RIE, Lead By Example School Lighting Program, and Residential and Commercial low- and moderateincome solar grant program. For more information on Rhode Island's participation in RGGI and to view the state's past RGGI Auction Proceed Allocation Plans, please visit: <u>www.energy.ri.gov/policies-programs/programs-incentives/rggi.php</u>.



Figure 4: RGGI Allocations by Program for 2023